



**April, 28, 2017**  
**1st Quarter, Business Results for the**  
**Fiscal Year Ending December 31, 2017**

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\* Unstated amounts are rounded down to the nearest one million yen unit, and percentages are rounded to the nearest unit.



# **FY2017Q1 Summary of Consolidated Financial Results**

**Revenue**  
(Quarterly)

**20-billion yen mark for the first time.**

**YoY+12.6%**

(Excluding business alliance with Dentsu)

**Operating  
income**  
(Quarterly)

**Billion yen mark for the first time.**

**YoY+23.0%**

(Excluding Investment and Value Creation Business )

**Marketing  
Business**

**Strong growth**

- Strong growth in new customer development
- The strategy for expanding revenue in the Marketing Business remained firm, resulting in an improvement in profitability.
- Revenue YoY +12.2%, Operating income YoY +22.5%

[Consolidated]

**The Marketing Business remained strong and grew significantly.  
Revenue YoY+12.6%, Operating income YoY+23.0%**

	FY2016Q1	FY2017Q1	YoY
Revenue	18,551	20,886	+12.6%
Gross profit	3,814	4,356	+14.2%
SGA	2,924	3,262	+11.5%
EBITDA	1,122	1,352	+20.5%
Operating income	889	1,093	+23.0%
Ordinary income	817	1,178	+44.2%
Net income	180	666	Approx. 3.7times
Gross profit Margin	20.6%	20.9%	+0.3p
Operating income margin	4.8%	5.2%	+0.4p
Net income margin	1.0%	3.2%	+2.2p

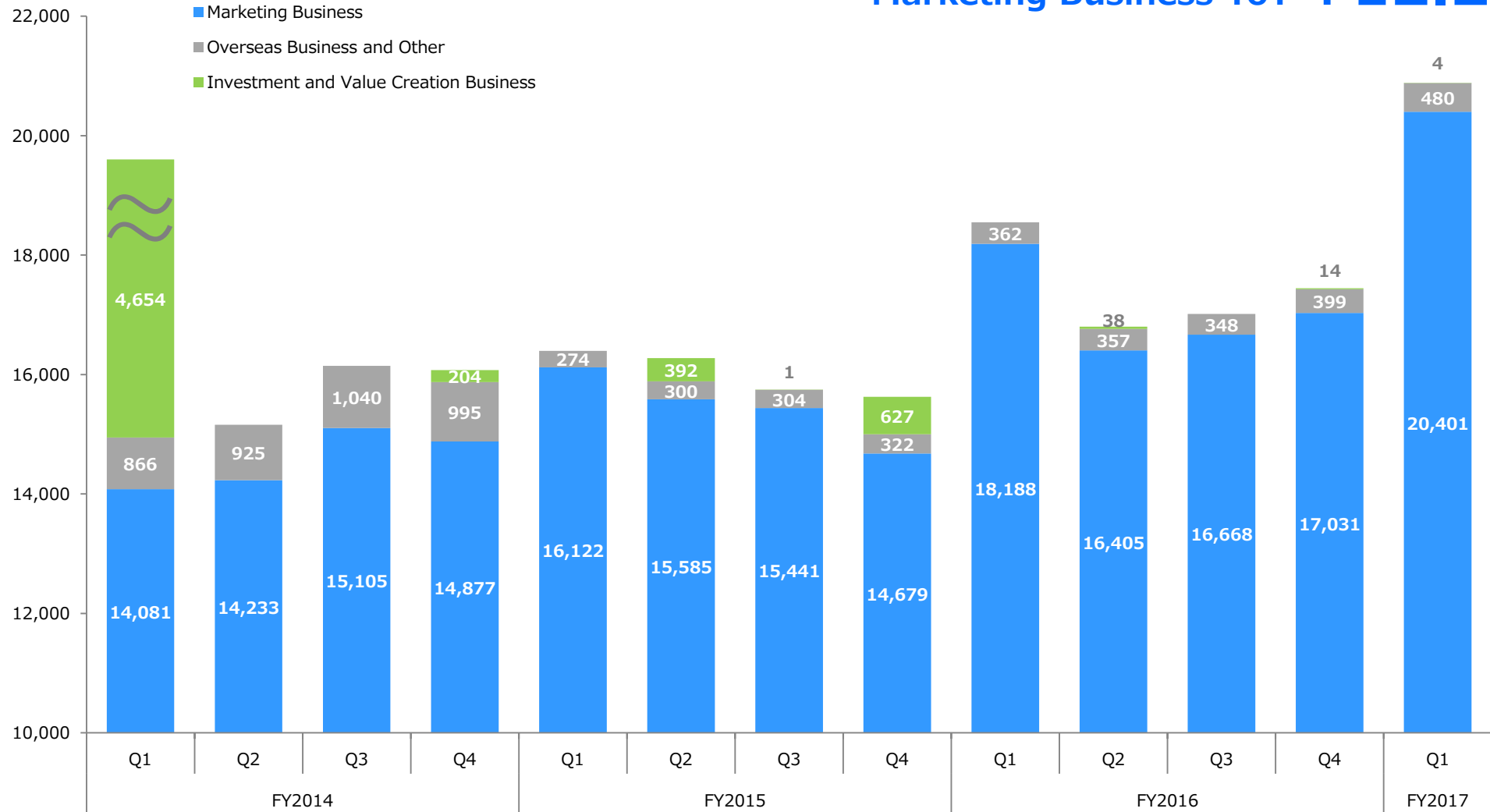
## [Consolidated Quarterly Revenue and Operating Income (Loss) by Segment]

		FY2015				FY2016				FY2017	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	前年比
Marketing Business	Revenue	16,122	15,585	15,441	14,679	18,188	16,405	16,668	17,031	20,401	+12.2%
	Operating income	633	340	496	345	1,052	463	437	713	1,288	+22.5%
Investment and Value Creation Business	Revenue	0	392	1	627	0	38	0	14	4	—
	Operating income	(55)	310	(38)	392	(46)	(34)	(53)	(44)	(72)	—
Overseas Business	Revenue	309	358	372	383	363	355	354	407	480	+32.0%
	Operating income	(29)	(10)	(34)	(15)	(16)	(62)	(31)	14	9	—
Other	Revenue	(34)	(57)	(68)	(61)	0	2	(5)	(8)	1	—
	Operating income	(183)	(186)	(204)	(139)	(100)	(92)	(145)	(136)	(132)	—
Total	Revenue	16,397	16,278	15,747	15,628	18,551	16,802	17,017	17,444	20,886	+12.6%
	Operating income	363	454	219	583	889	274	208	547	1,093	+23.0%

## [Revenue]

Consolidated + 12.6%

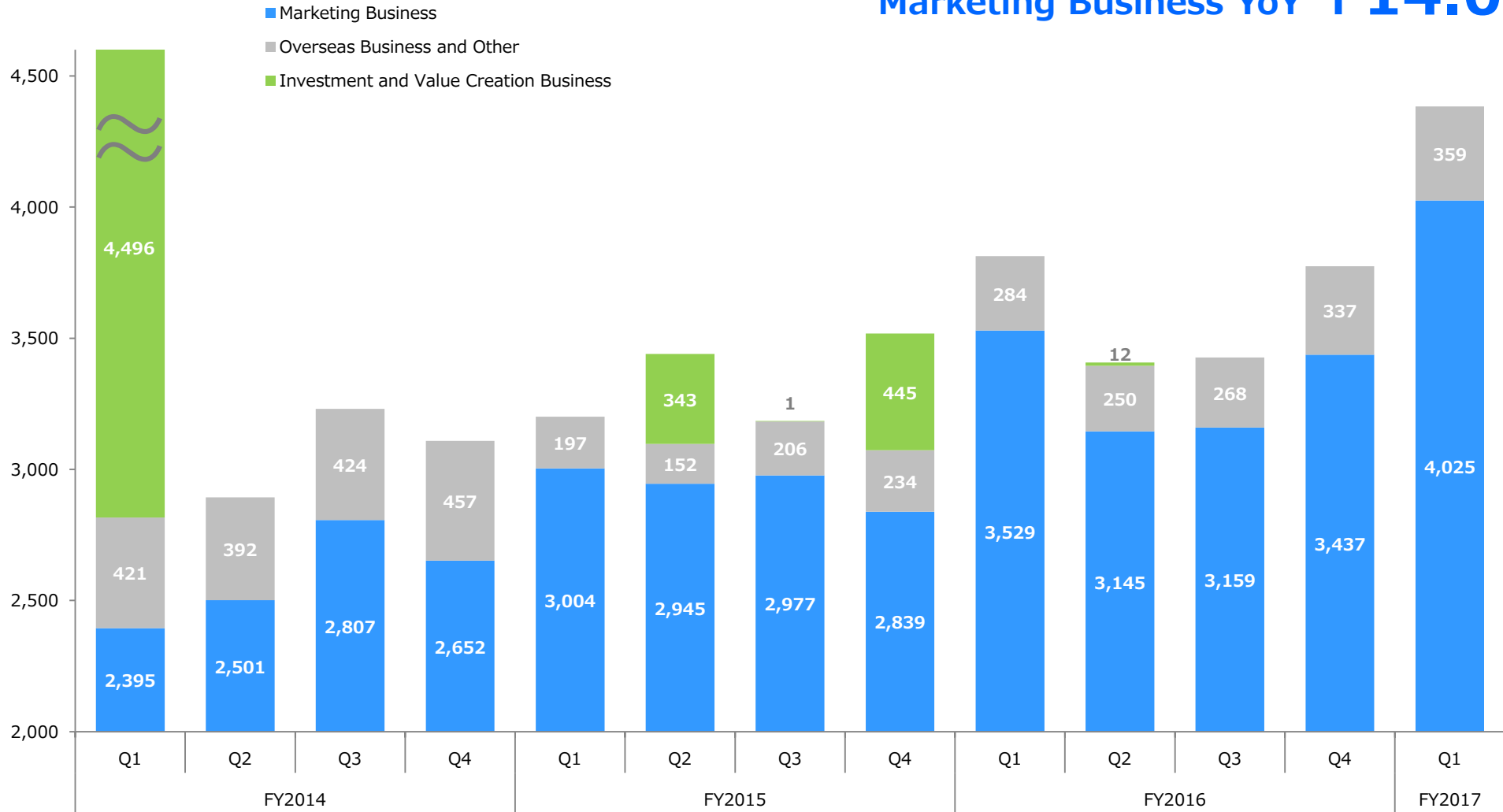
Marketing Business YoY +12.2%



**[Gross profit by segment]**

**Consolidated +14.2%**

**Marketing Business YoY +14.0%**

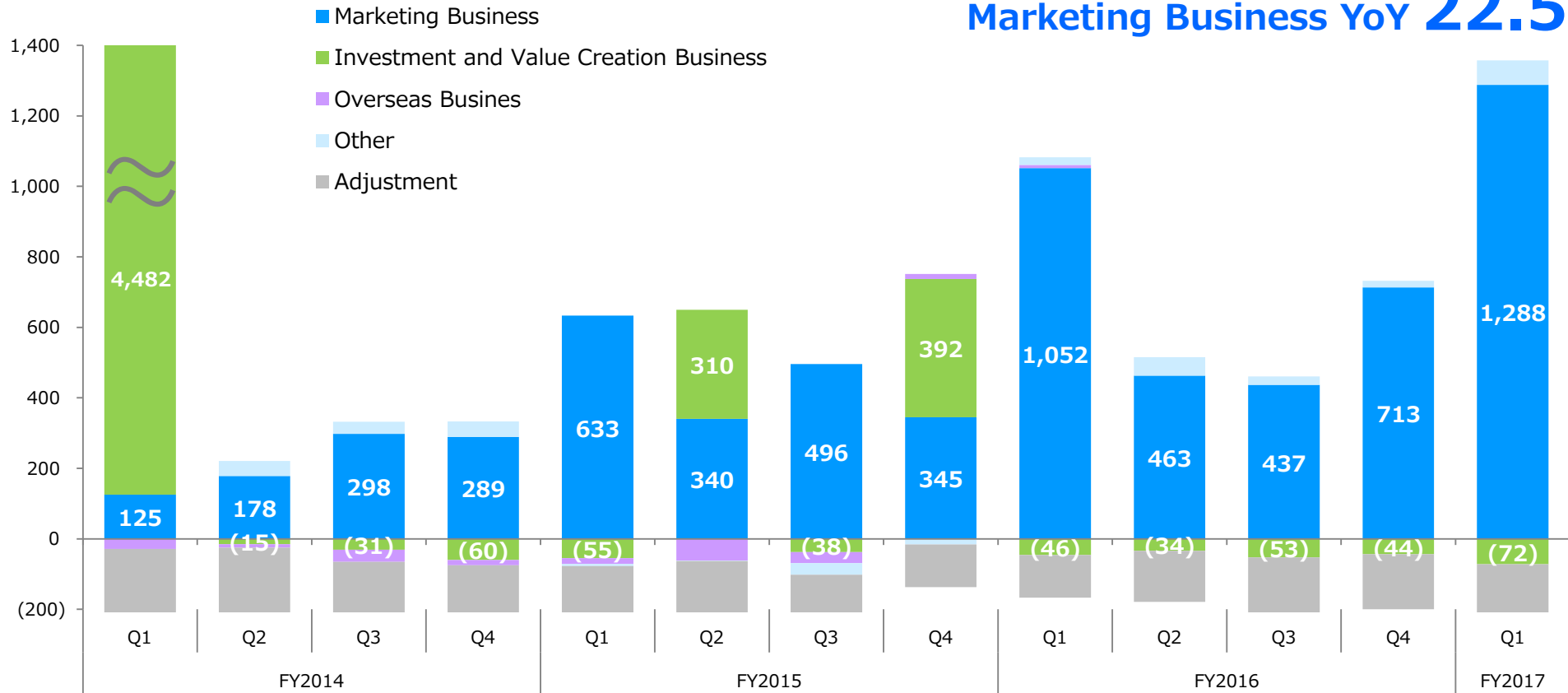




## [Operating income by segment]

Consolidated YoY+23.0%

Marketing Business YoY **22.5%**



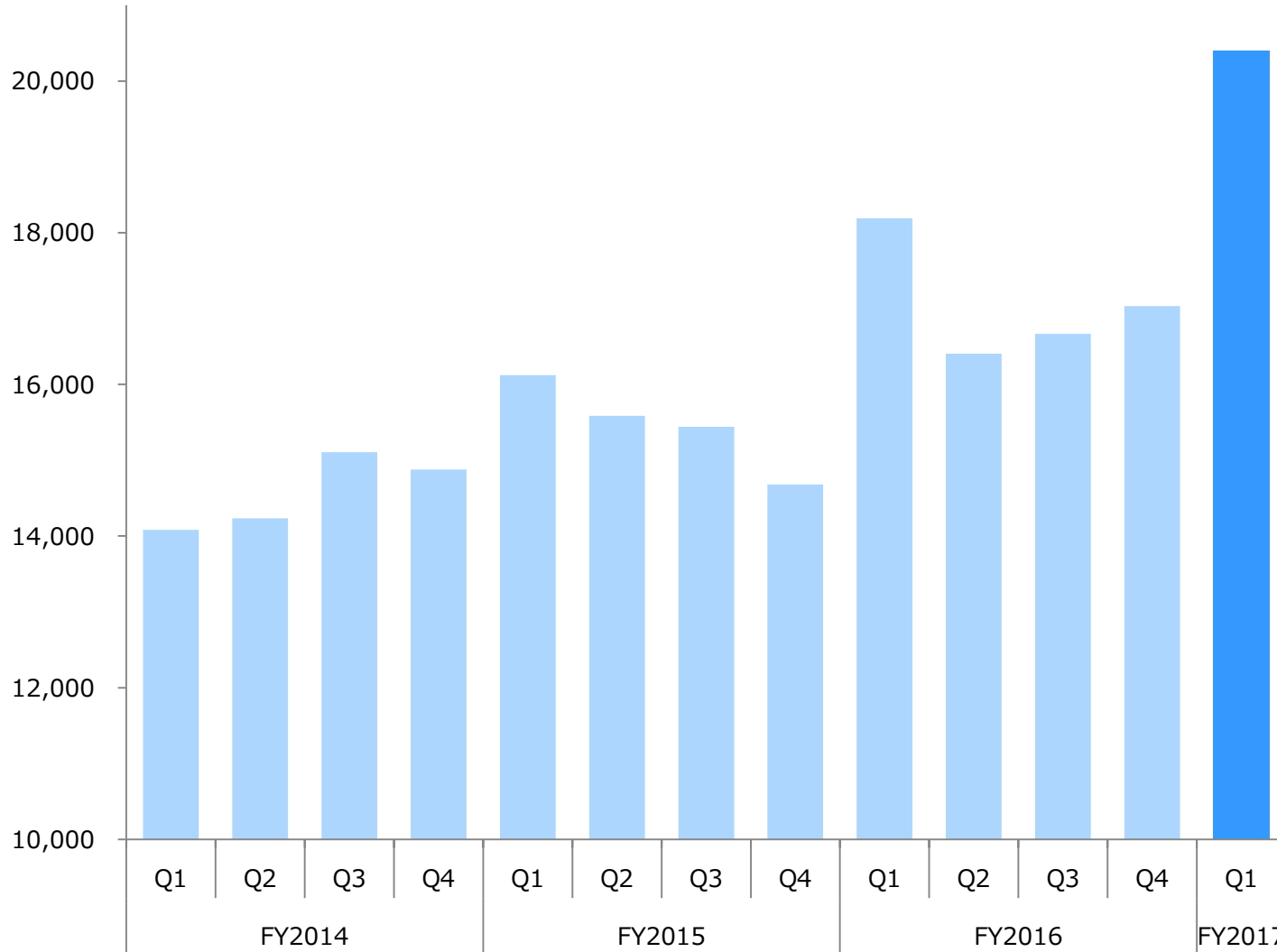
Total operating income	4,388	(123)	120	86	363	454	219	583	889	274	208	547	1,093
Total Operating Income Excluding Investment and Value Creation Business	(94)	(108)	151	146	419	143	257	190	935	308	261	592	1,165



**FY2017 Q1**

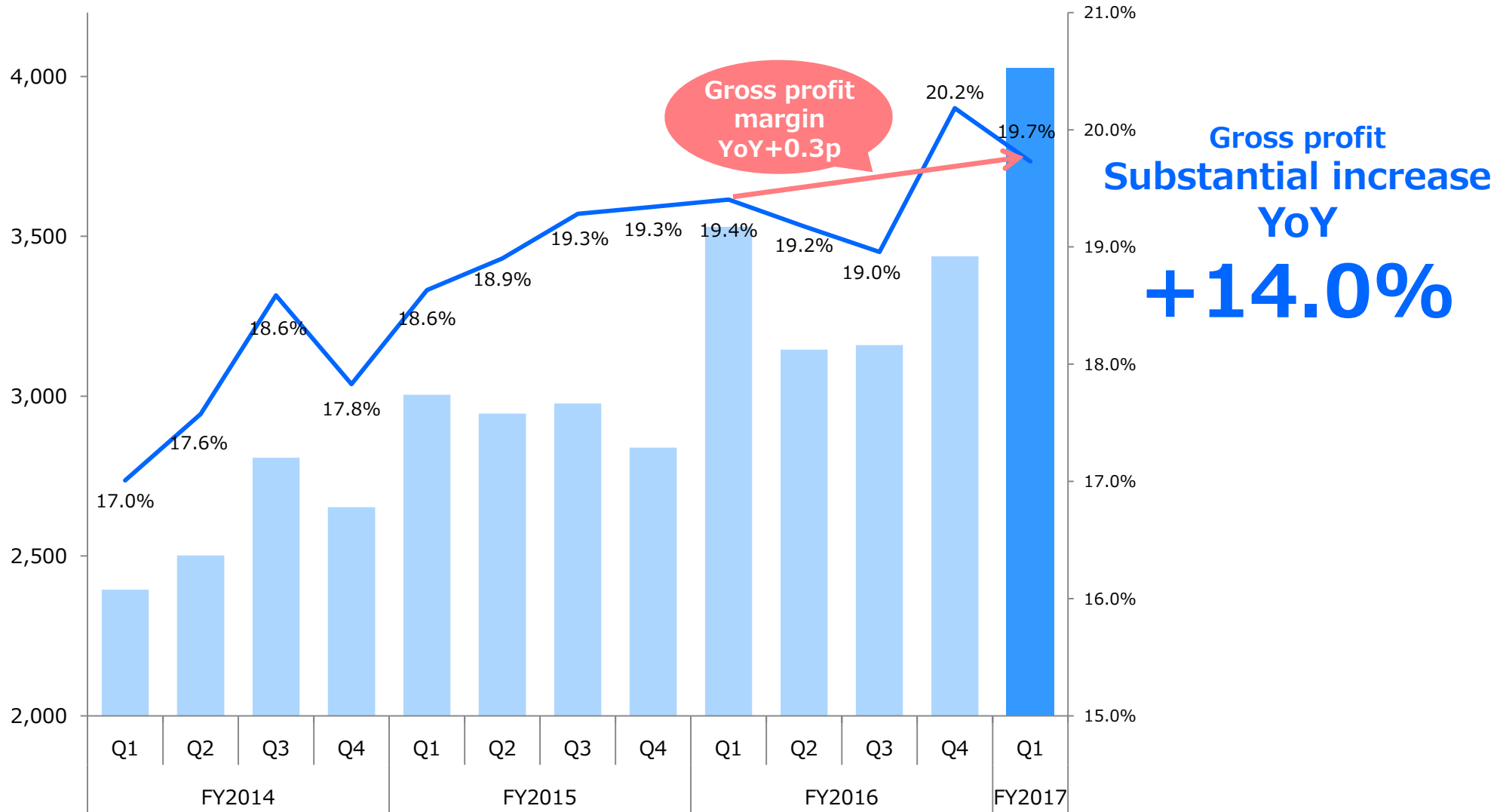
**Summary of Marketing Business**

**[Revenue]**

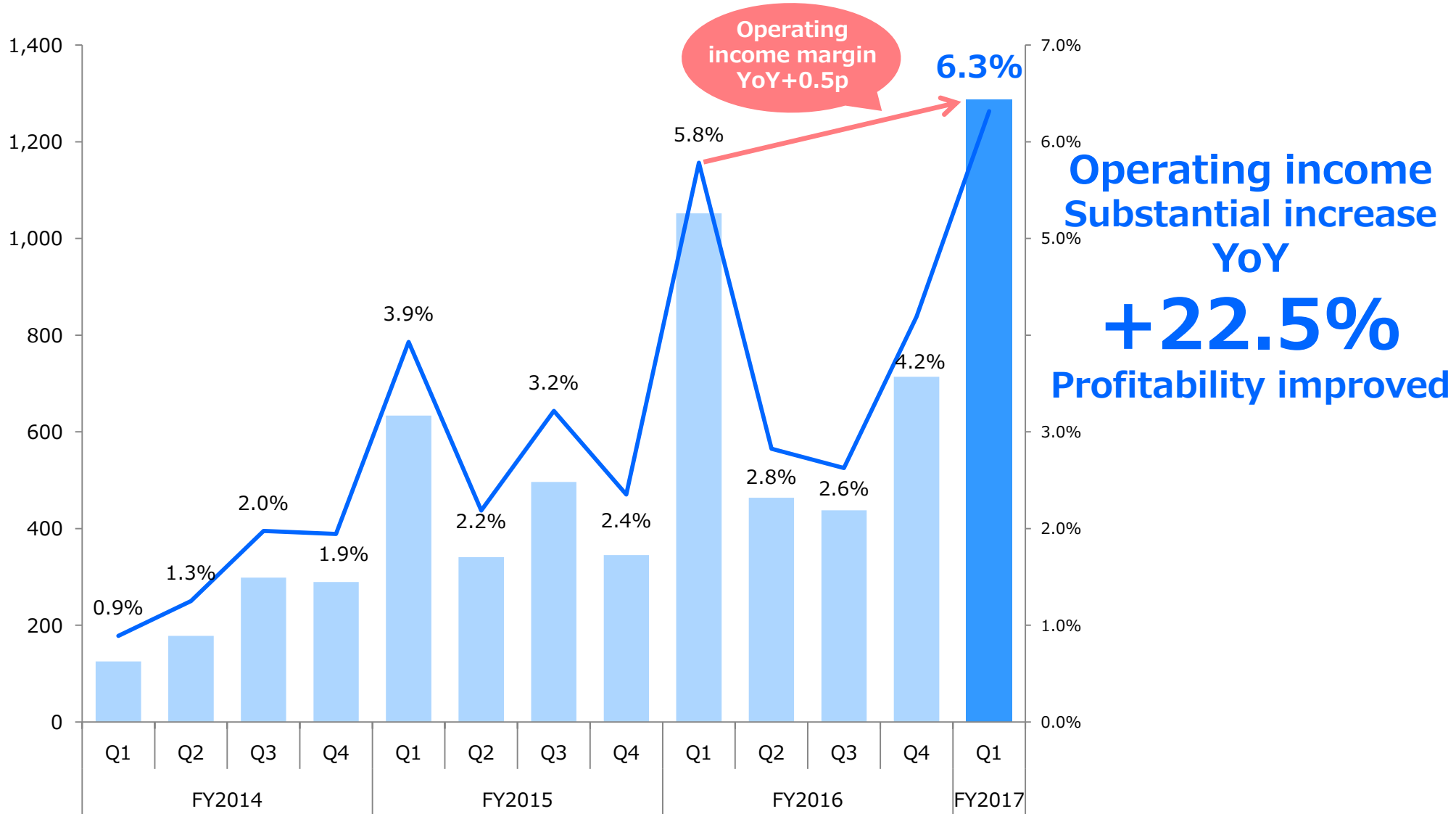


**Enhanced  
revenue  
Share  
YoY +12.2%**

**[Gross profit/Gross profit margin]**

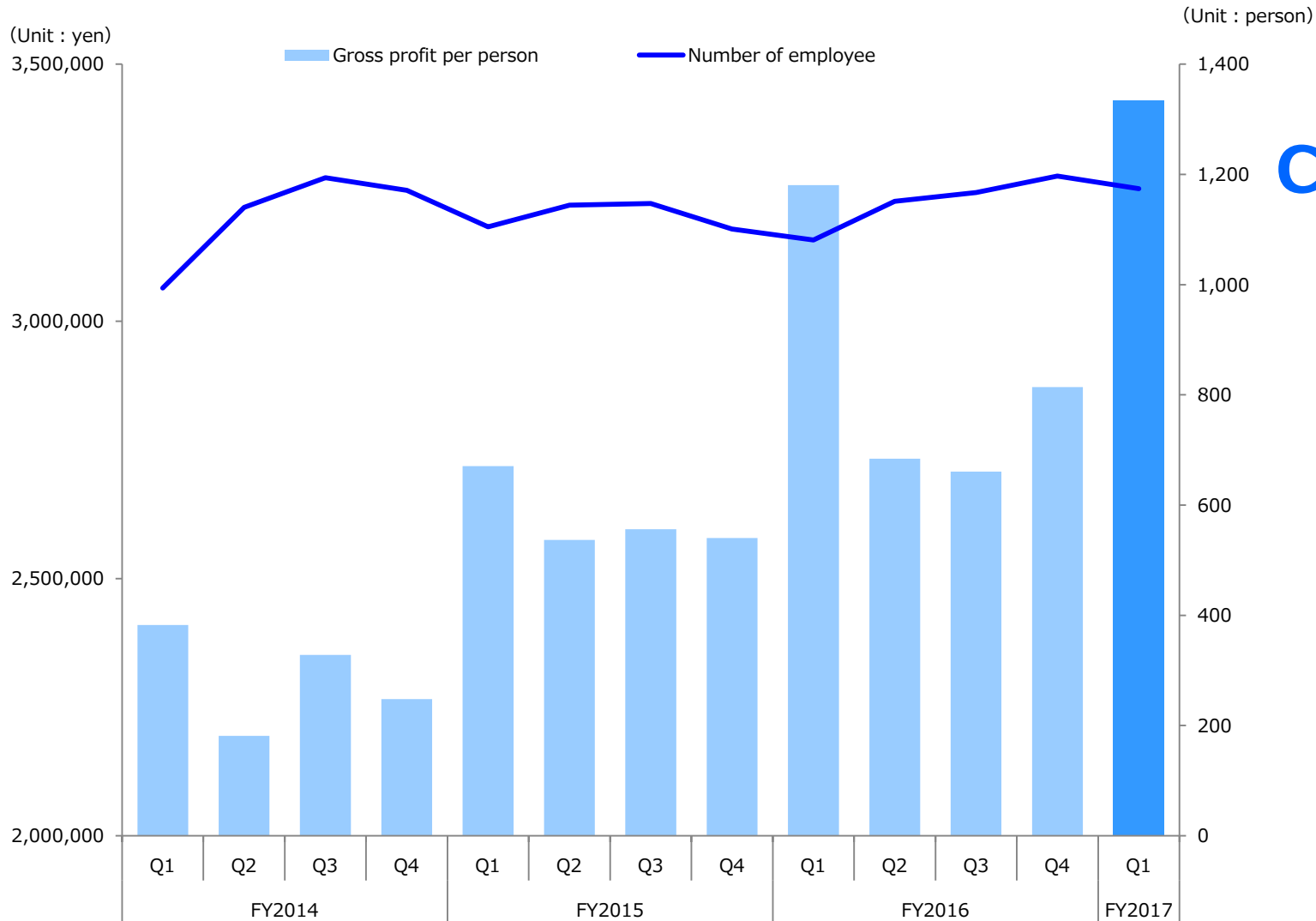


**[Operating income / Operating income margin]**



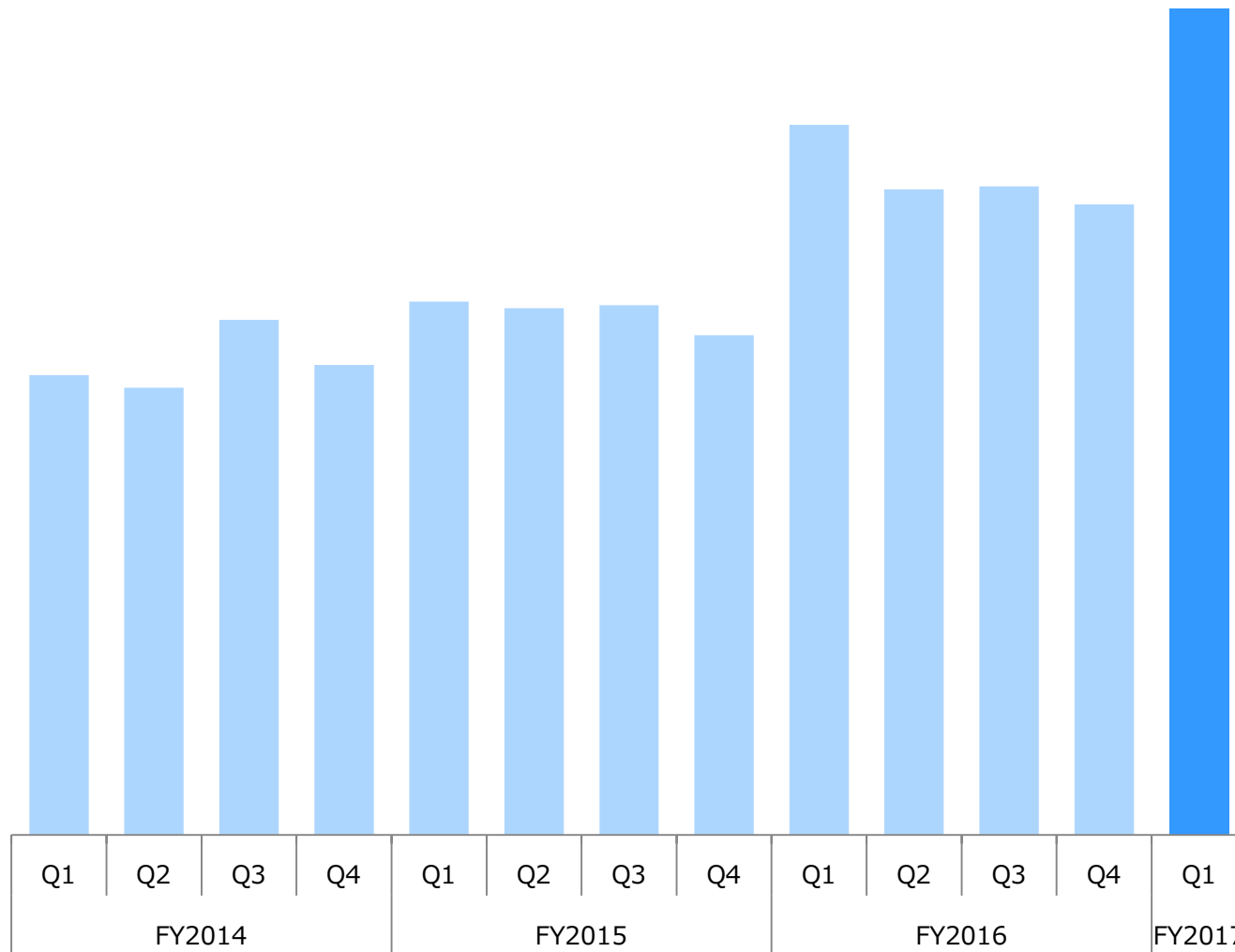


### [Gross profit per person / Number of employee]



**Continuously Growing**  
YoY +5%

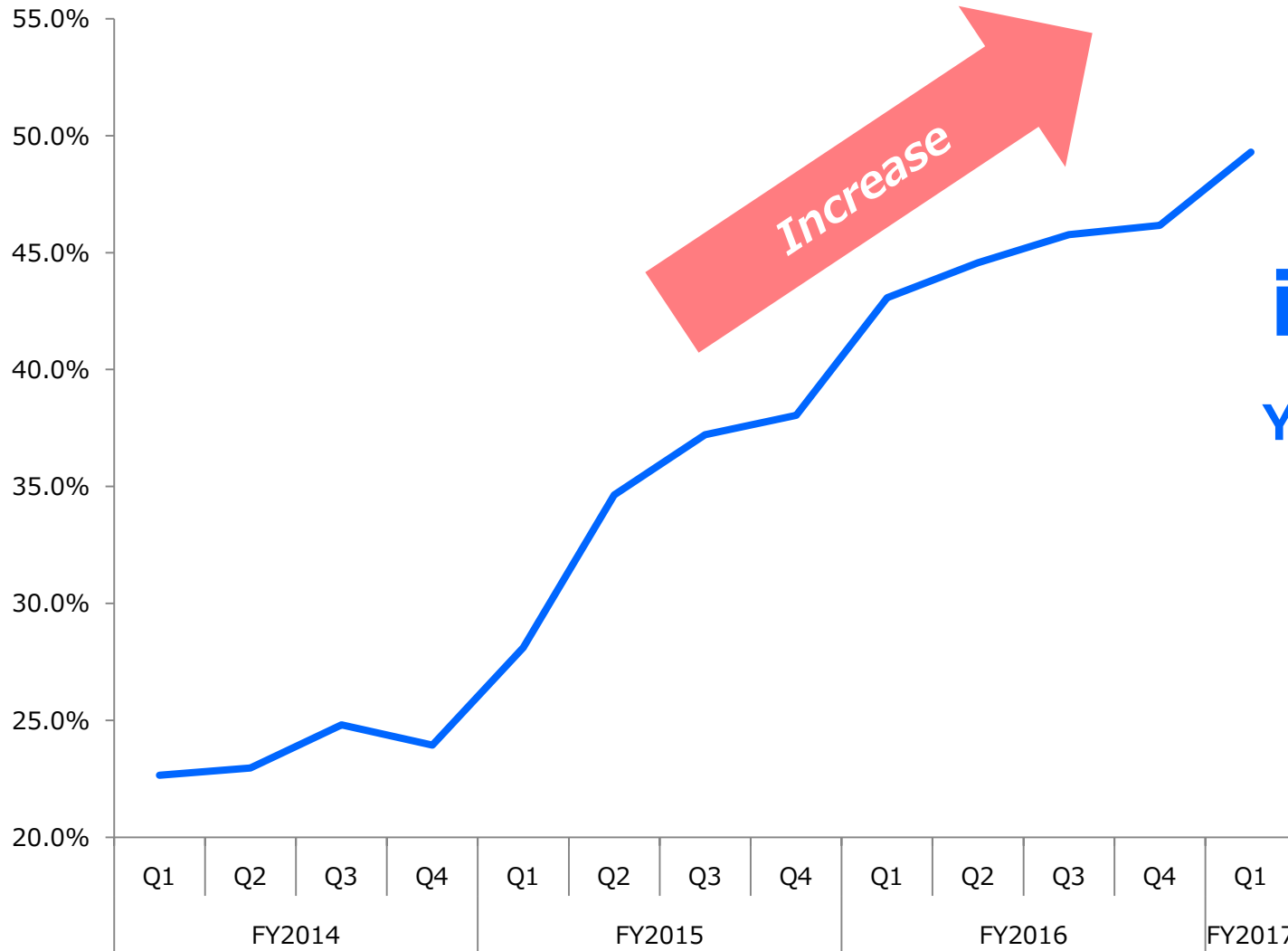
**[Ad-network revenue]**



**Enhanced  
revenue  
Share**

**YoY +16.4%**

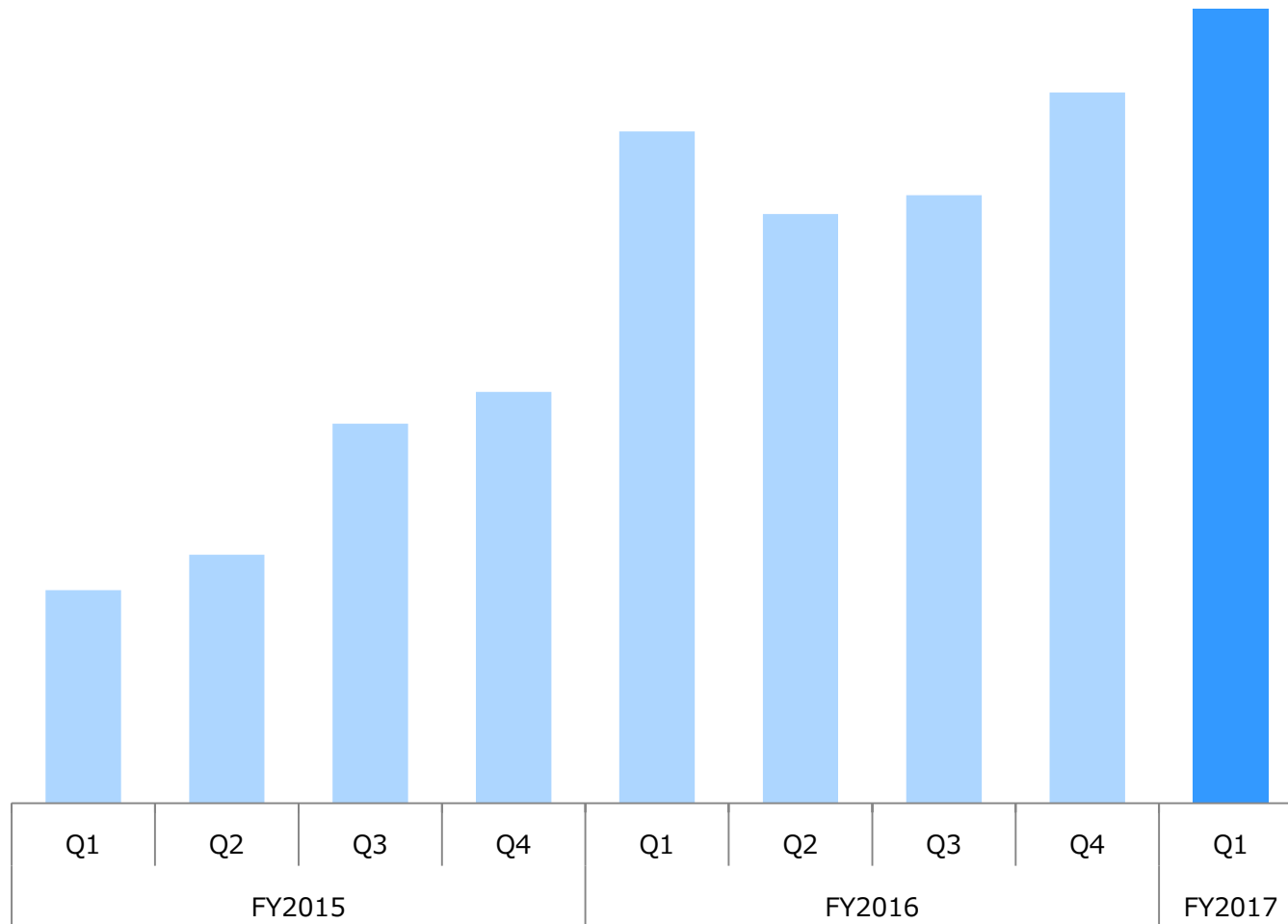
**[Focus Products : Smartphone ads share]**



**Keep  
 increasing  
 YoY +14.5%**

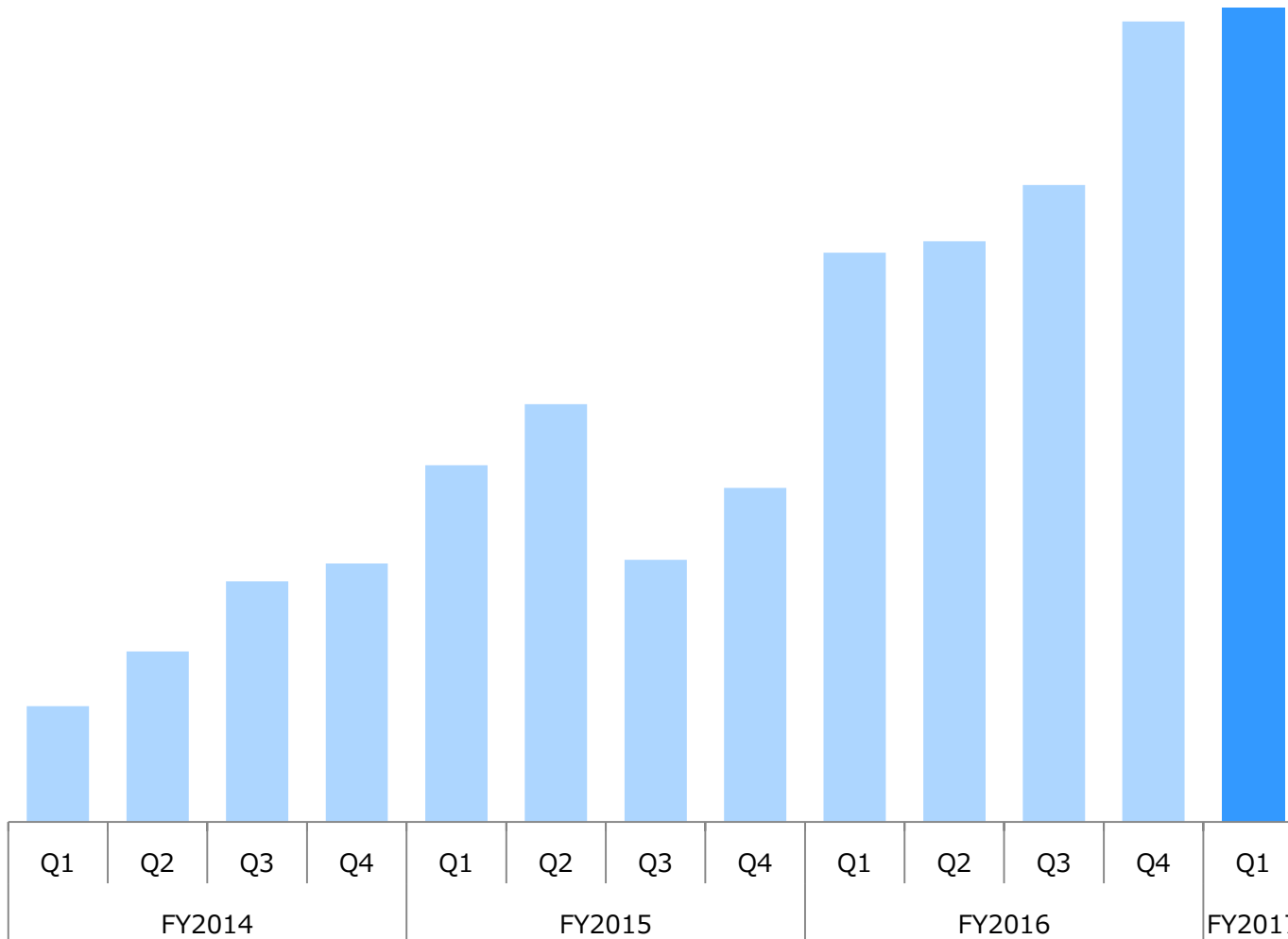


[Focus Products: Infeed ads revenue]



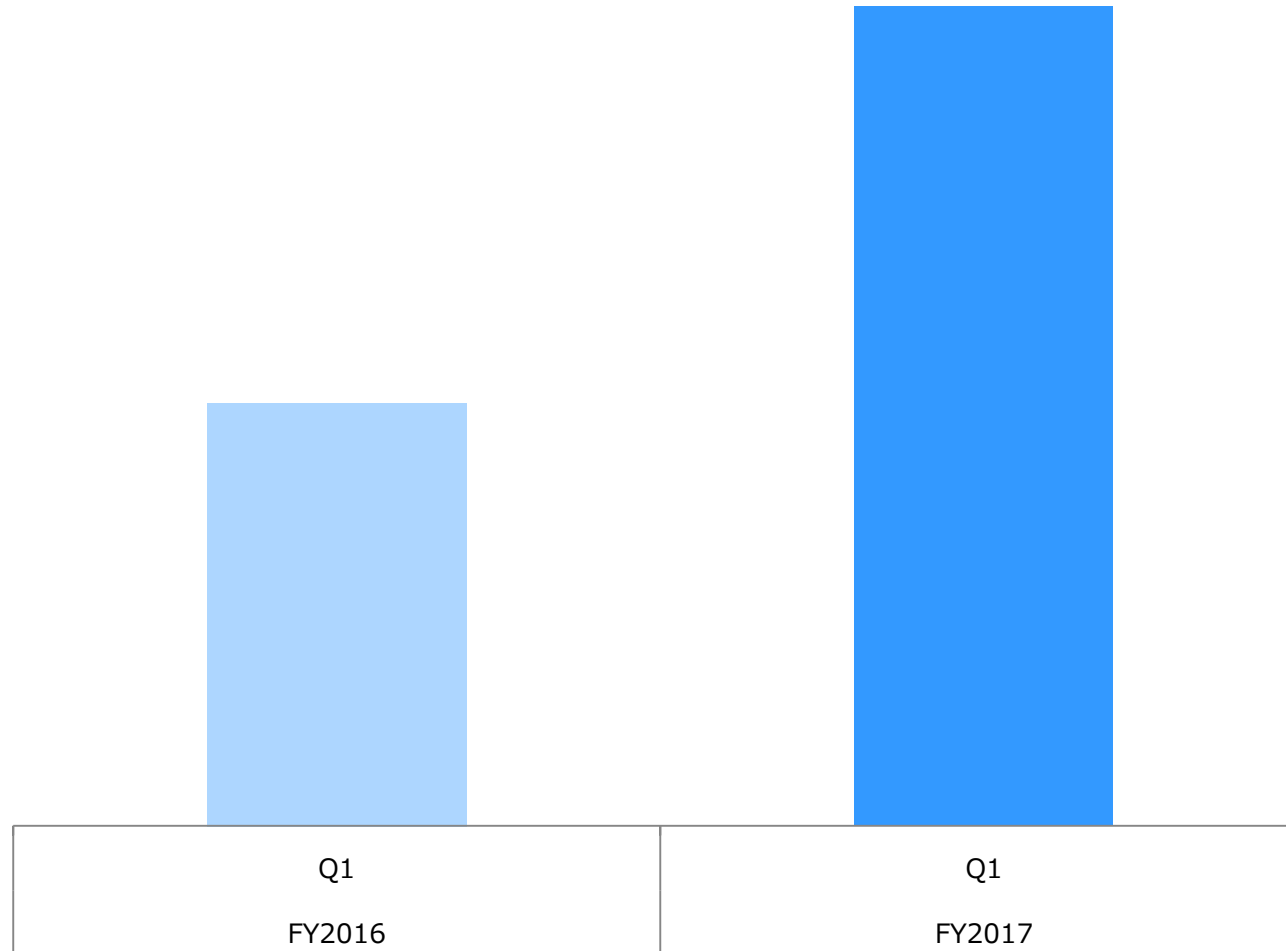
**Accelerating  
Growth**  
**YoY +18.3%**

[Focus Products :Social ads revenue]



**Enhanced  
revenue  
Share  
YoY +43%**

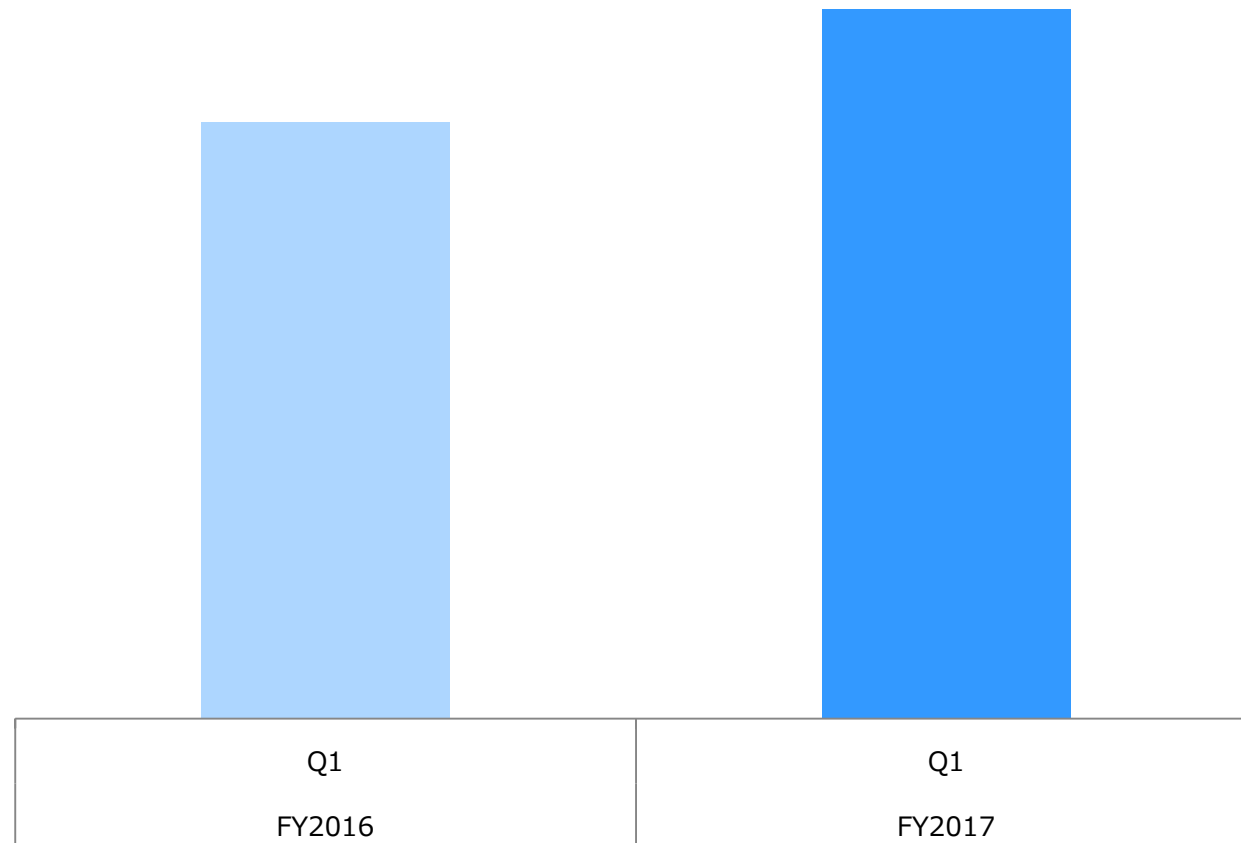
[Focus Products : Movie ads revenue]



**Steadily  
Increase**

YoY  
**Approx.  
1.5times**

[Focus Products :LINE revenue]



**Enhanced  
revenue  
Share**

**YoY +19.0%**



**FY2017**

**Progress of Earnings Forecast**

## The strategy for increasing revenue in the Marketing Business remained strong

	FY2017 Forecasts	FY2017 Q1	Progress
Revenue	80,000	20,886	26.1%
EBITDA	3,350	1,352	40.4%
Operating income	2,400	1,093	45.5%
Ordinary income	1,750	1,178	67.3%
Net income	1,000	666	66.6%

The background of the slide is a light blue world map. The map is composed of a dense collection of small, light blue icons representing various concepts such as technology, business, education, and nature. A large, solid blue number '4' is positioned on the left side of the map, partially overlapping it.

4

# Reference Materials

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**OPT Group Vision**

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# **New Value Creation**

**Leveraging the digital industrial revolution as a key player for “creation, inspiration and support.”**



## Meaning of existence

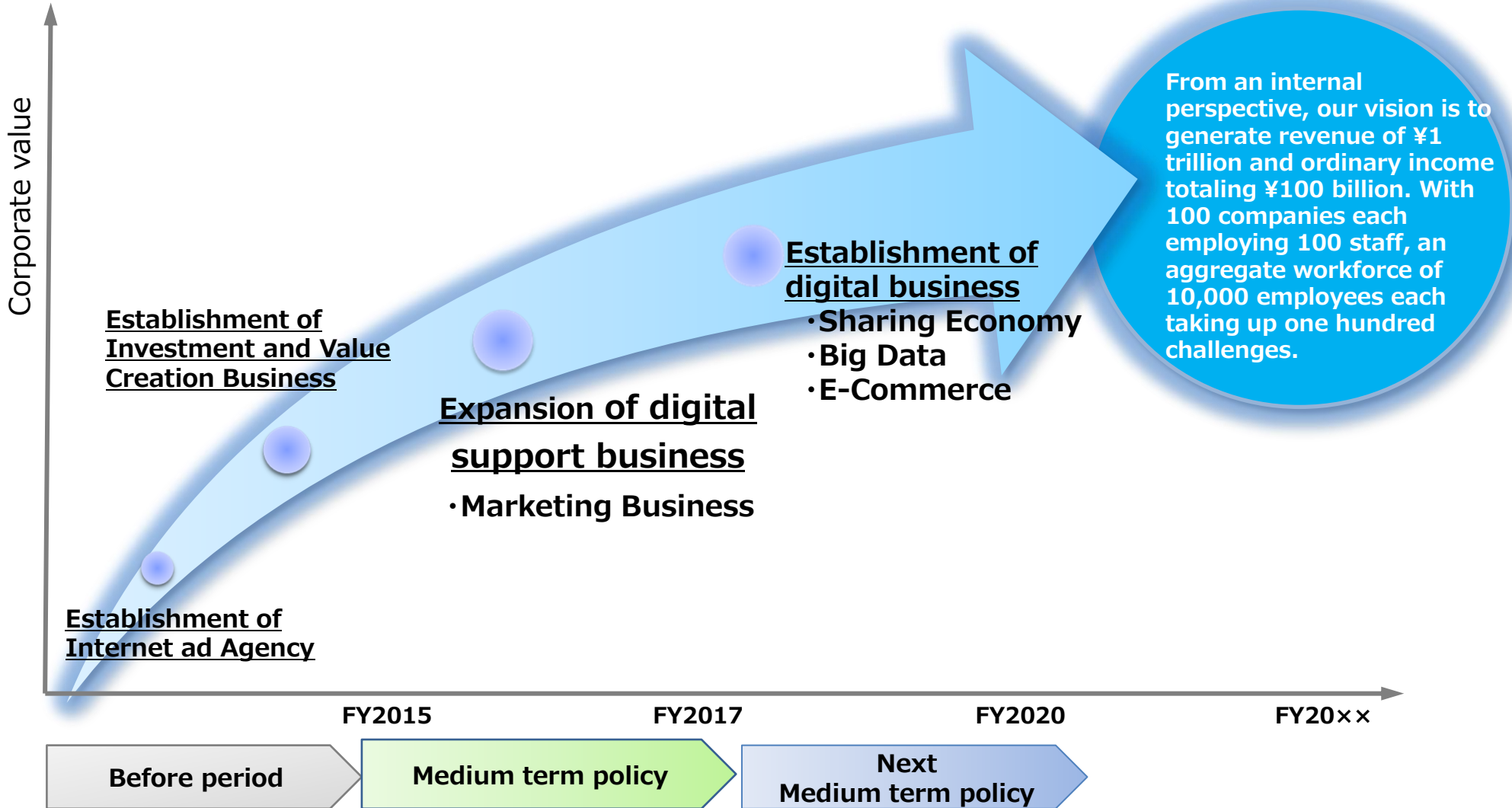
Create future prosperity by continuing to take on the challenge of “**New Value Creation**” by creating, inspiring and supporting the digital industrial revolution with a group of independent human resources (fellow employees)!

## Vision

FY2030 OPT Group  
Revenue ¥1trillion, Ordinary income ¥100Billion  
100person×100business×¥10Billion

## OPT ism

1. Moral principles come first, and profit comes second.
2. Challenge (keep transforming constantly )
3. Optimism (positive thinking)
4. Employee happiness (self-reliance) is the most important thing.
5. Each employee is the president.



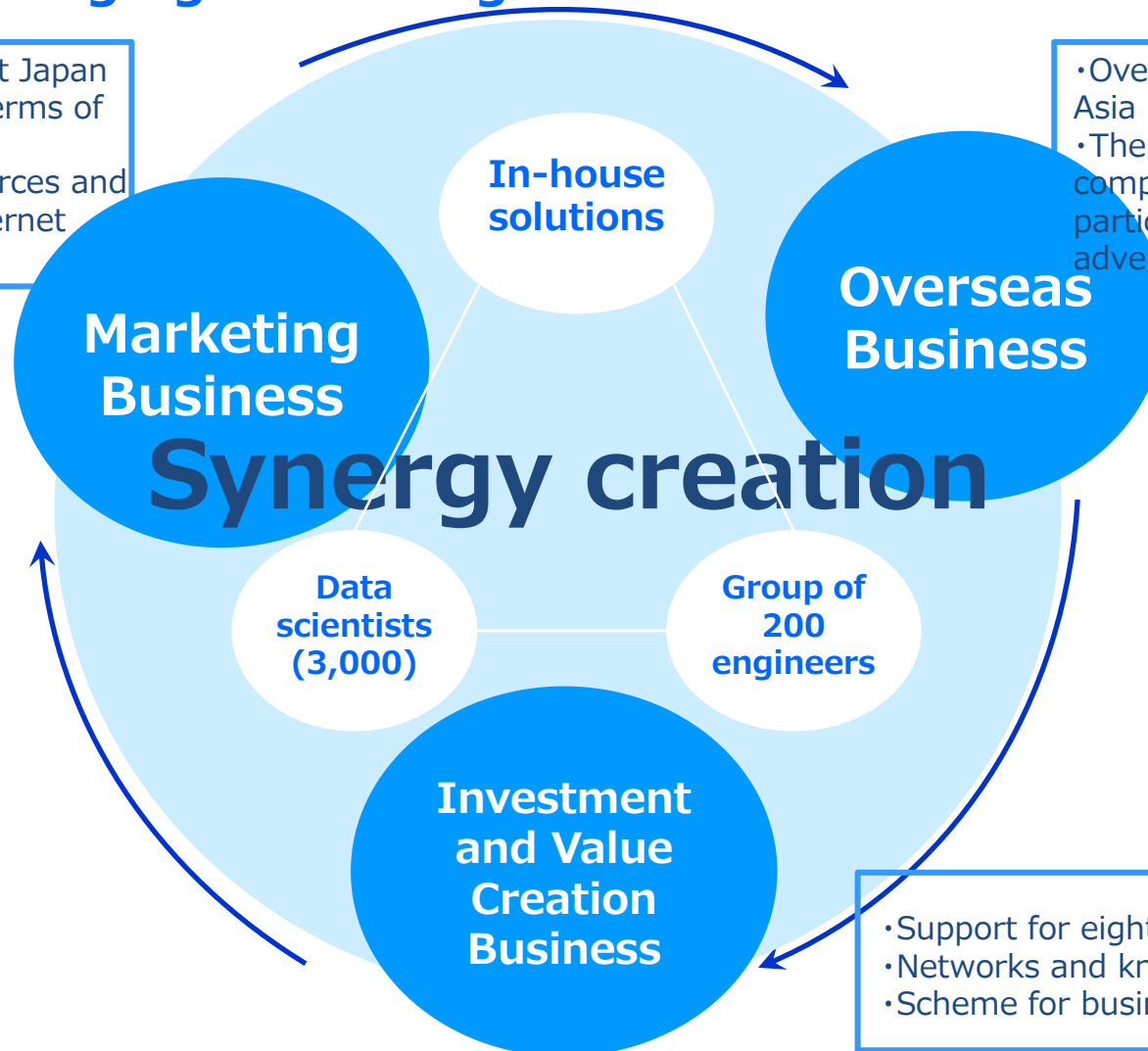
# From individual optimization to Group optimization

For the further acceleration of growth by synergy effects

## For the further acceleration of growth by leveraging the strengths and assets of each business

• Sales network throughout Japan  
• 24 local bases (No.1 in terms of number of bases)  
• Know-how, human resources and networks as a leading Internet advertising company

• Overseas bases and network in Asia  
• The only foreign-affiliated company certified for participation in China's national advertising project



• Support for eight ventures  
• Networks and know-how  
• Scheme for business startup

~For the further acceleration of growth through synergy effects~

**Marketing  
Business**

**Higher revenue (increases in the number of customers and the revenue per customer)**

- ✓ Strengthen the development of new large customers.
- ✓ Further enhance the local market where we are overwhelmingly strong.
- ✓ Cross-selling based on Group collaboration

**Investment and  
Value Creation  
Business**

**Creation of business synergy**

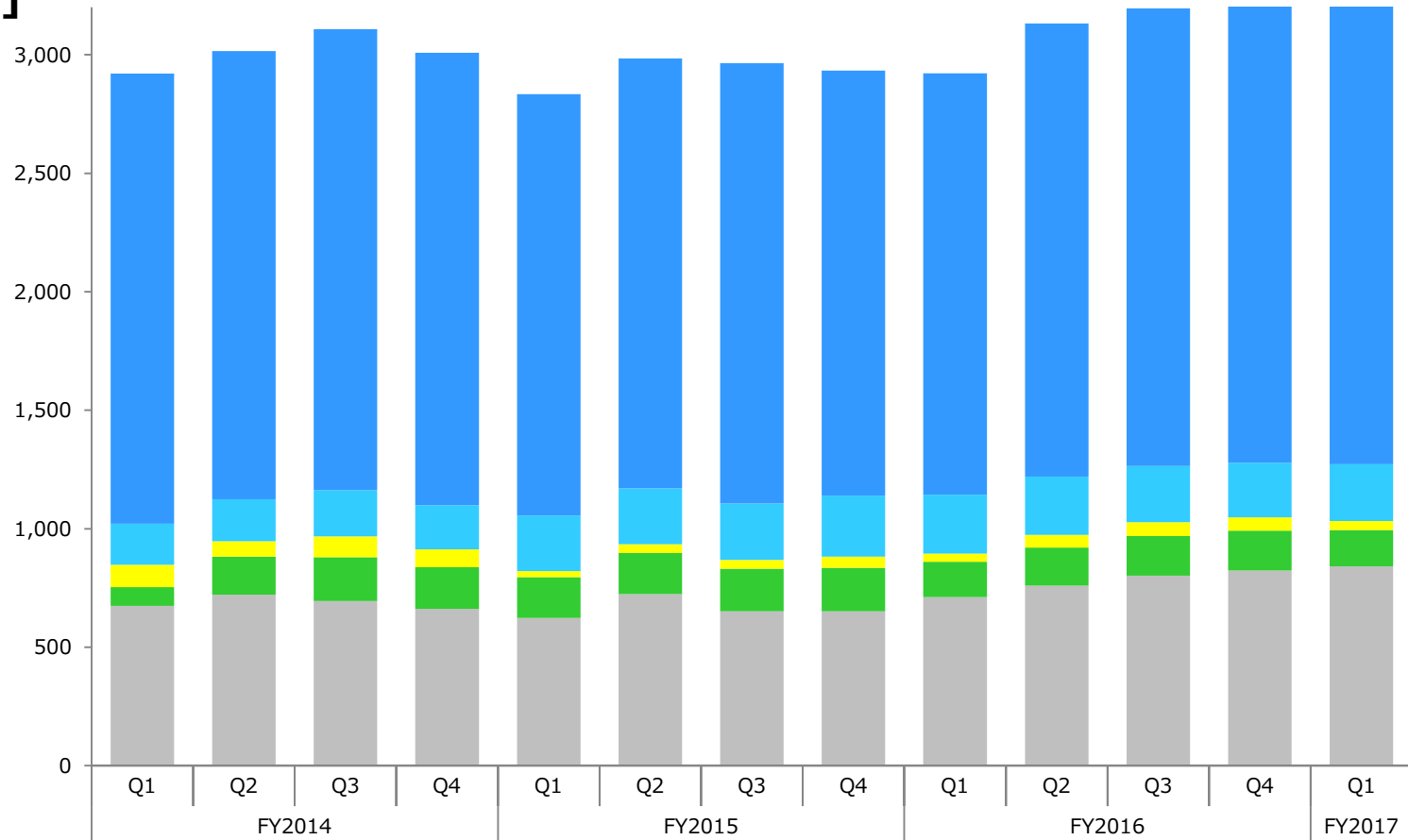
- ✓ Review and optimize the portfolio.
- ✓ Cultivate existing portfolio companies and enhance collaborations with them.
- ✓ Startup of new consolidated businesses and more acquisitions

**Overseas  
Business**

**Stronger Group collaboration**

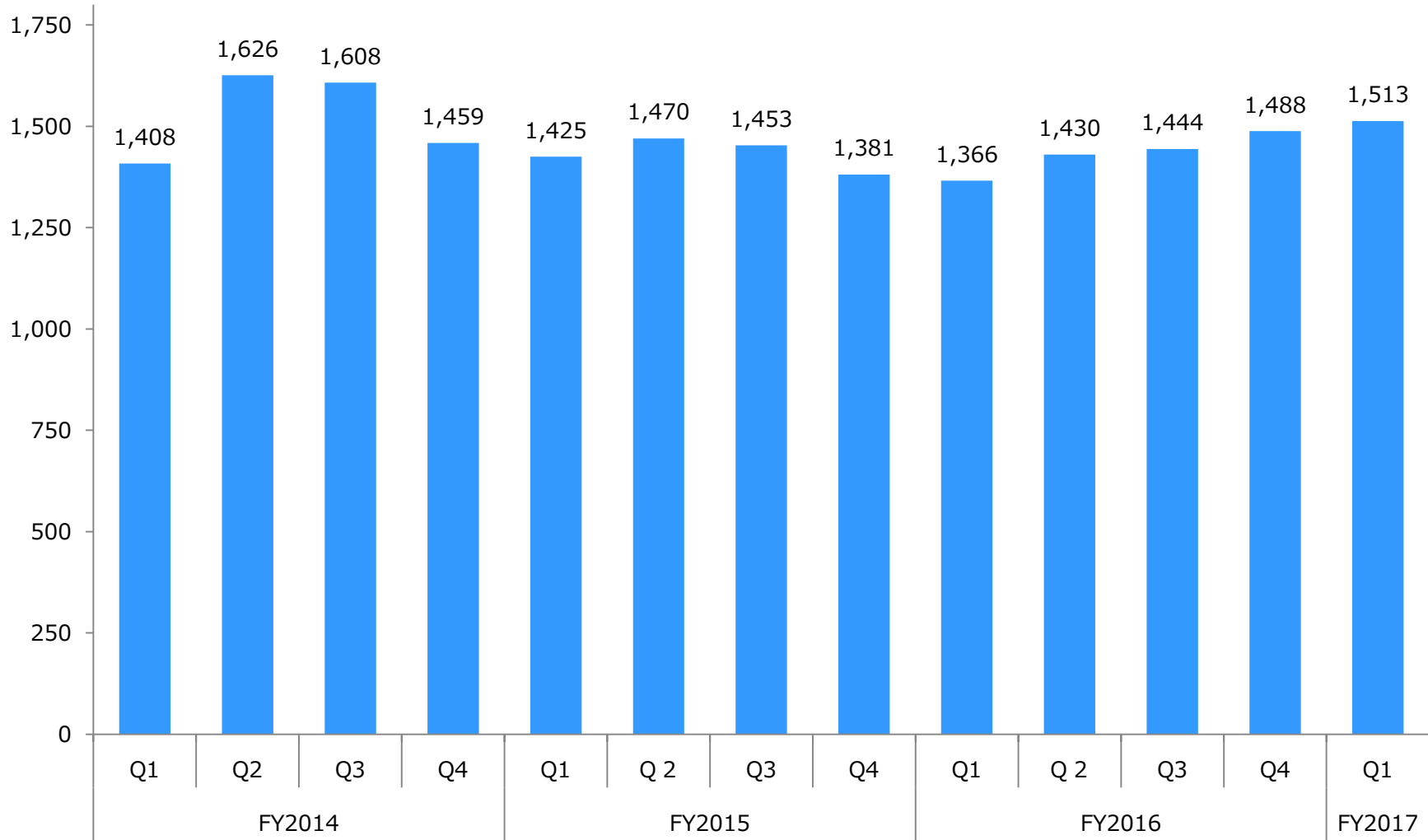
- ✓ Use of overseas network and the development of new customers
- ✓ Stronger inbound and outbound support

[SGA costs]












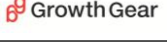







	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
	FY2014				FY2015				FY2016				FY2017
Total	2,924	3,017	3,111	3,011	2,836	2,986	2,966	2,937	2,924	3,134	3,200	3,226	3,262
Personal expences	1,900	1,891	1,947	1,910	1,779	1,815	1,858	1,795	1,780	1,913	1,932	1,946	1,988
Rents	173	177	195	186	234	235	238	257	248	246	237	230	240
Advertising expences	95	65	88	75	25	37	37	47	35	53	59	56	38
Depreciation and amortization	78	161	184	176	172	174	180	183	149	161	167	168	153
Others	675	721	695	662	624	724	651	652	711	760	802	824	841

## [Number of employees]



## Major consolidated Companies (As of FY2017 Q1-End)

Name	Business	Ownership	Status
OPT, Inc. 	Marketing business	100.00%	Consolidated subsidiary
CLASSIFIED 	Planning and sales of classifieds	66.01%	Consolidated subsidiary
Crossfinty 	SEO and media consulting business	90.00%	Consolidated subsidiary
SOLDOUT 	Advertising agency for mid-sized and venture companies	66.60%	Consolidated subsidiary
s1o interactive 	Trading desk business	100.00%	Consolidated subsidiary
SkillUp Video Technologies 	Digital contents platform business	92.50%	Consolidated subsidiary
ConnectOM 	Omni-channel solution business	100.00%	Consolidated subsidiary
Search LIFE 	Internet advertising operation business	(53.28%)	Consolidated subsidiary
Writeup. Co., Ltd 	Internet-related business	40.00%	Consolidated subsidiary
Groover, Inc. 	Native Ad and media business (incl. consulting) of smart device	100.00%	Consolidated subsidiary
TechLoCo, Inc. 	Marketing technology proposal business for mid-, small- and medium-sized as well as growth companies	(66.66%)	Consolidated subsidiary
Growth Gear Co.,Ltd 	Human resource support services business for mid-, small- and medium-sized as well as growth companies	(66.66%)	Consolidated subsidiary
Platform ID 	Database business	51.00%	Consolidated subsidiary
eMFORCE 	Internet advertising agency in South Korea	92.82%	Consolidated subsidiary
grasia 	Marketing business for overseas	100.00%	Consolidated subsidiary
OPT America 	Consulting, investment, and alliance business in the US	100.00%	Consolidated subsidiary
OPT Ventures, Inc. 	VC business, investment business, public offering advisory business, management information service, other	100.00%	Consolidated subsidiary

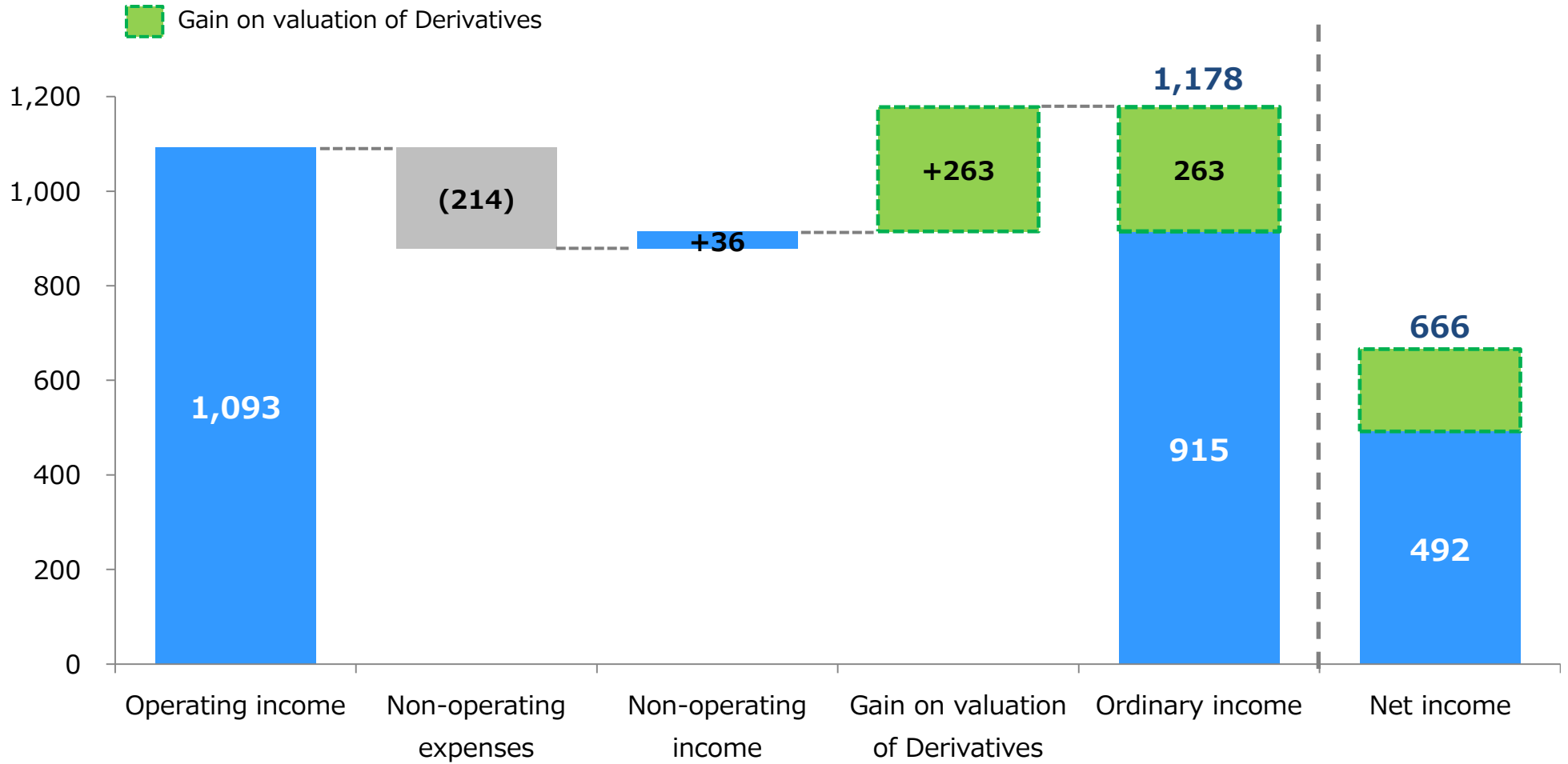




# Valuation of Derivatives

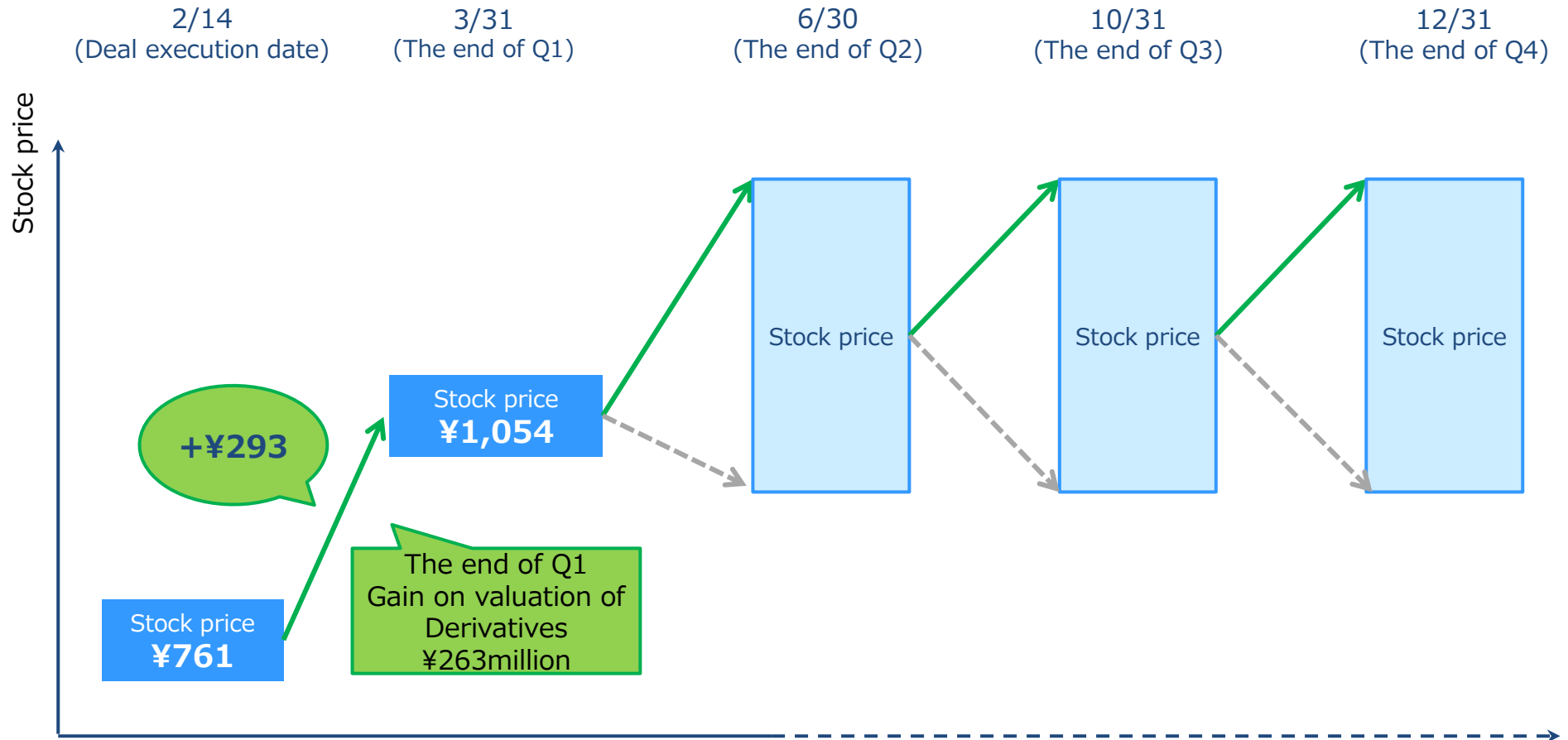


## FY2017Q1 "Gain on valuation of Derivatives"





**Gain(Loss) on valuation of Derivatives is calculated by stock price at the term of quarter end.  
(Excluded from the forecasts)**





**OPT Holding, Inc.**  
**TSE 1st Section 2389**  
**<http://www.opt.ne.jp/holding/>**

**For all IR-related inquiries including requests for interviews, please contact the Group Management Planning Office as follows:  
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**<Notice>**

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